

**MINUTES
HIGHLAND CITY COUNCIL MEETING**

Tuesday, August 19, 2014

Highland City Council Chambers, 5400 West Civic Center Drive, Highland, Utah 84003

PRESENT: Mayor Mark Thompson, Conducting
Councilmember Brian Braithwaite
Councilmember Rod Mann
Councilmember Tim Irwin
Councilmember Dennis LeBaron
Councilmember Jessie Schoenfeld

STAFF PRESENT: Aaron Palmer, City Administrator
JoD'Ann Bates, Executive Secretary/Recorder
Nathan Crane, Community Development Director
Gary LeCheminant, Finance Director
Tim Merrill, City Attorney
Shannon Garlick, Secretary
Brian Gwilliam, Chief of Police

OTHERS:

The meeting was called to order by Mayor Mark Thompson as a regular session at 7:01 p.m. The meeting agenda was posted on the *Utah State Public Meeting Website* at least 24 hours prior to the meeting. The prayer was offered by Jessie Schoenfeld and those assembled were led in the Pledge of Allegiance by Scout Addison Church.

APPEARANCES:

Robert Valentine, resident of Wildrose, stated he has sent the Council copies of the petition signed by the residents of the Wildrose Subdivision asking when the wall will be put in between the Wildrose Subdivision and the Ashford Memory Center.

Heather Groom, resident of Beacon Hill, stated there is a potential Questar Gas line change proposed to go in near Twin Bridges. She stated the land is actually located in Alpine City, but the line would be moved to approximately two feet off the properties of Highland residents. She stated this only impacts one Alpine resident, but would directly affect five Highland residents and indirectly affect the whole neighborhood. She mentioned they are planning on making line improvements, along with placing a metering facility. She stated they have asked to purchase a piece of property from Alpine that is right on the border of Alpine and Highland. She explained

the property would have an eight foot fence and they have indicated there will not only be a metering station, but also another future building. She expressed their concern for how this will affect their property values. She explained this is an area with a high fire risk, so it is a dangerous location for a gas building. She stated Alpine City said it was the best location, because it does not affect the majority of their residents, but it would affect Highland residents. She asked if there is anything Highland City can do and suggested the Council speak with Alpine City to see if there is a better option. She mentioned they are building the facility as a Conditional Use Permit. She stated she is going to speak at the Alpine City meeting as well to request they postpone the decision until they meet with the neighbors and Questar.

Tim Irwin stated he does not believe it is okay to place a commercial building in an open space residence. He stated looking at the background information it does not appear that they took into account the fire safety issue. He explained the residents cannot light fireworks in the area, so it seems discerning to have a gas facility on that property. He mentioned Chief Freeman is going to the Alpine City Planning Commission meeting to express the Fire Department's safety concerns. He stated once Questar purchases the property, it is a done deal, so it's important to take care of the issue now. He mentioned they are referring to the proposed buildings as accessory structures. He stated the real question is what else they are planning to put on the property and how that will affect the residents.

Brian Braithwaite clarified there is currently a pipe on the property, but this would just divert the pipe to the metering station. He stated these types of things are needed for society in order to have the benefits, but there should be some mitigation as to where and how they are built. He stated it is good thing the Fire Chief will be at the meeting to discuss the safety concerns. He explained it is Alpine's property, so it is their responsibility, but it does affect Highland residents. He expressed his appreciation for Heather Groom attending the Alpine City meeting.

Heather Groom stated it is Alpine property, but she just wanted to inform the Council of the situation. She stated the facility is necessary, but believes it could be built in a better location.

Ronda Bromley, Lone Peak High School Principal, introduced her Administrative Team: Christian Smith, Dan Biolo, Tim Pead, Mike May. She explained the first day of school went well and they have high expectations for the year. She explained this year's theme is, "Lone Peak High School: where students' success is a team effort." She thanked the City Council and Police for all of their help and support.

Tim Irwin thanked Ronda Bromley for allowing the Lone Peak High School Band to participate in the Highland Fling Parade.

Frank Tusieseina, resident of Highland, invited the Mayor, City Council, and staff to attend the ribbon cutting that Saturday for the new sand volleyball court in Highland Glen Park. He stated he has been involved in professional beach volleyball for a couple of years and the top Olympian volleyball players were just in town for the Salt Lake City Open. He mentioned the two champions were both from Utah. He stated the sand in the new court is the same sand the professionals played on over the weekend. He thanked the City staff for preparing the court and the Highland City Foundation for donating the sand. He stated there will be free food at the event

and the top Utah volleyball players will be there. He stated the new volleyball court complements all of the other improvements in Highland Glen Park. He stated this is the first NCAA United States Volleyball Regulation Court in the entire State. He stated girls can earn volleyball scholarships, so they hope the Lone Peak High School Girls' Volleyball Team will utilize the court for training.

Brian Braithwaite clarified there will be an annual tournament on the court.

Frank Tusieseina replied yes, but the goal is not only to have tournaments, but to also get families out for regular activities.

Terry Kent, resident of Windsor Meadows, stated the Windsor Meadows Subdivision is having problems with organized sports teams using the Windsor Park as a playing field. She stated there is not a parking lot, so people park along both sides of the street which causes public safety issues. She stated they constantly leave garbage and personal items and are urinating all over the park. She stated the noise is out of control, and the park is being occupied all day, every day, all summer long. She mentioned the whole neighborhood supports these concerns. She explained the residents feel the only solution is to put up signs prohibiting organized sports games and practices in this park. She stated the grass is being torn up and the practices are as much of a problem as the games. She mentioned they are even holding soccer clinics and camps at the park throughout the summer. She stated the suggestion has been made to put red curbing on one side of the street, but that would just cause more congestion on the other streets. She stated they have tried doing port-a-potties, but no one wants to constantly see port-a-potties in their neighborhood. She stated the port-a-potties get vandalized and people still urinate in the park. She explained they would love to have a park where the neighborhood families can play and they have not been able to use it all summer. She stated the City staff even struggles finding a time to do park maintenance. She mentioned the clubs used to play at Mountain Ridge Junior High and were asked to leave. She explained the North Utah County Soccer Association has been told not to practice there anymore, but they leave their goal posts at the park, so it encourages people to come and play.

Susan Law, resident of Windsor Meadows, stated she agrees with the statements made by Terry Kent. She explained the misuse of the park is a nonstop issue and thanked the Council for looking for a solution.

PRESENTATION/DISCUSSION:

- Proclamation of Appreciation – Jeremy Barlow

Mayor Thompson presented the Proclamation of Appreciation to Jeremy Barlow. He explained Jeremy Barlow performed CPR on a young girl who started drowning in the Highland Glen Park pond. He thanked Jeremy on behalf of the whole City for saving the young girl's life.

CONSENT:

MOTION: Ratifying the Mayor's Appointment to the Highland City Beautification Committee – Denise Stratton.

MOTION: Ratifying the Mayor's Appointment to the Highland City Social Media Committee – Brent Beckley, Brian Parrish, and Linda Walton.

MOTION: Tim Irwin moved the City Council to approve the consent items on the agenda.

Jessie Schoenfeld seconded the motion.

Unanimous vote, motion carried.

ACTION ITEMS:

ORDINANCE: Adopting and Amending Municipal Code Chapter 13.12 – Sanitary Sewer Management Plan.

Nathan Crane stated the amendment has been updated based on the comments received at the last Council meeting. He stated they will be adding the 24 hour notice for non-emergency issues in the Right of Way Entry Section of the amendment.

MOTION: Tim Irwin moved the City Council to adopt the Amendment to the Highland Municipal Code Chapter 13.12 – Sanitary Sewer Management Plan.

Dennis LeBaron seconded the motion.

Those Voting Aye: Jessie Schoenfeld, Tim Irwin, Dennis LeBaron, Brian Braithwaite

Those Voting Nye:

Unanimous vote, motion carried.

MOTION: Approval of Reimbursement Agreement with Legacy Fields – Upsizing of Detention Basin and Sanitary Sewer Line.

Nathan Crane stated this is a request for reimbursement of up to \$35,425 for two different projects, a sanitary sewer line and upsizing of the detention basin. He stated the Highland Fields Subdivision is responsible for building a sewer line and the City is asking them to build 130 feet of additional sewer line as part of the project. He stated the pipe down 6000 West is reaching capacity, so doing this project improves that sewer capacity. He stated this solution will serve the City well into the future until development to the north begins to come in and they can address capacity with the developer at that time. He stated the City's cost for the additional 130 feet of line is \$3,500, but if the City chose to improve 6000 West rather than do this project, it would cost a minimum of \$700,000-\$1,000,000. He stated this project was not identified as part of the budget, but there is enough in savings to cover the \$3,500 expenditure.

Tim Irwin questioned if this is something that could be covered by impact fees.

Nathan Crane stated if both projects meet the criteria set by the State for impact fees, the goal would be to reimburse through those fees.

Brian Braithwaite stated they are taking pressure off 11800 North by having the sewage flow from that line down to 6000 West. He expressed his confusion that normally they would tie into the line, so they can flow into 11800 North, but this is the opposite.

Nathan Crane replied all of the waste water currently flows into 11800 North and then proceeds down to 6000 West, but this project would provide an intercept where it can bypass the 6000 West line and connect farther down the system. He stated it would still tie into 6000 West down farther, which is why there is another portion of the line they would address. He explained the option would be to upgrade the whole line or just put in the additional 130 feet of line and update a small portion.

Justin Parduhn stated this would bypass 6000 West altogether. He explained the line would come down through the new subdivision into the Highland Heights Subdivision and down through the Dry Creek Subdivision, and would meet up with the waste from 6000 West at the intersection. He stated this allows the City to only upgrade from that intersection to the City's lift station.

Brian Braithwaite questioned if the City will also have to upgrade the lift station.

Justin Parduhn replied the City will not need to upgrade the lift station itself, but just a portion of the line leading up to the lift station.

Nathan Crane stated the City needs to do the upsizing either way, but this decreases the amount of upsizing done to the line on 6000 West.

Justin Parduhn stated if the City does not decide to move forward with this project, the whole line will need to be upgraded immediately according to the flows and testing.

Brian Braithwaite questioned if this will be the new route for all additional growth below Skye Estates.

Justin Parduhn stated some of the sewage may have to go through Highland Boulevard or down through Dry Creek Phase 4, because below Skye Estates there is the dip and it is hard to get sewage over it. He stated this will help with the future Beacon Hill phases, because this allows capacity in 6000 West.

Brian Braithwaite stated they should build the line a little bit bigger than the anticipated capacity to prepare for the future.

Justin Parduhn stated Tavis Timothy has looked at the Master Plan and stated this should be a remedy until future annexations come in. He stated ideally they do not want to put a lot more pressure on the sewer lift station.

Brian Braithwaite asked what the estimated cost will be to upgrade from the intersection to the lift station.

Justin Parduhn responded they have put the packet together, but it has not gone out for bid.

Rod Mann questioned if the first line can be funded through impact fees.

Nathan Crane stated the goal would be to have as much funded out of impact fees as possible as long as it meets the State requirements. He stated the analysis is if it was included in the fee the City is charging now, if it is a system improvement, and a number of other questions.

MOTION: Tim Irwin moved the City Council to approve the Reimbursement Agreement with Legacy Fields.

Dennis LeBaron seconded the motion.

Those Voting Aye: Tim Irwin, Dennis LeBaron, Brian Braithwaite, Jessie Schoenfeld, Rod Mann

Those Voting Nye:

Unanimous vote, motion carried.

Nathan Crane stated they were going to discuss the upsizing of the detention basin, but because the Council is comfortable with the information, they will just move forward with the item.

MAYOR/CITY COUNCIL & STAFF COMMUNICATION ITEMS:

- Country Club Traffic

Justin Parduhn stated per the request of the residents and the direction from Council, staff installed a speed limit sign near the entrance coming out of Country Club. He stated they have also given the Council some bids for a tabletop speed bump or an asphalt speed hump and the pricing on a flashing speed limit sign. He stated staff's recommendation would be a flashing speed limit sign.

Rod Mann clarified the cost for two signs would be \$5,500 as opposed to \$16,000 for two speed bumps.

Justin Parduhn stated asphalt humps would be a little bit cheaper than the speed bumps, but they would still need two in order to prevent pushing the traffic onto another road.

Mayor Thompson questioned if the City has initiated any conversation with the Country Club as to what they can do to notify their members.

Justin Parduhn replied the neighbors may have, but the City has not contacted the Country Club.

Mayor Thompson stated it may be appropriate for the City to engage them to put up their own sign reminding their members of the speed and that it is a residential street.

Brian Braithwaite stated a couple of the flashing speed limit signs have been installed in Alpine and were vandalized. He explained they replaced one of them at least three times and the other one was replaced at least two times. He mentioned he does not know how much of an impact there was, positive or negative. He suggested the City sit down with the residents and the Country Club to figure out the best solution. He stated the members of the Country Club are part of the problem, so it would be helpful for them to be part of the solution. He stated it may take a little extra time, but it would be worth it to have the discussion.

Justin Parduhn stated all of the neighbors need to be involved as well, because the information they received from the companies installing the speed humps/bumps indicated that there are more residents that do not want them, than those that do. He explained vandalism is a problem with most things throughout the City, so signs may or may not be the way to go, but speed bumps are not necessarily the way to go either.

Tim Irwin stated the Country Club is more of a closed area. He clarified the areas with signs in Alpine are more open with bigger roads.

Dennis LeBaron questioned why staff would prefer the speed signs.

Justin Parduhn replied speed bumps/humps cost more, have maintenance issues, and may not be that effective, because people just speed up immediately after. He stated staff recommends the speed limit signs if they are more effective, because they cost less and are easier to maintain. He explained they did not take vandalism into account and may need to look more into the issue. He expressed his concern that once they put one in, more areas will want them, so the City needs to have a stance on the issue and figure out where they are going to get the funds.

Brian Braithwaite stated the road from Lehi out to Saratoga Springs has similar signs and in the beginning they were effective, but over time people begin to ignore them.

Tim Irwin stated sometimes it is the inappropriate speed limit for the setting that can have an influence. He explained in the Country Club area it is obvious that it is 25 mph zone.

Chief Brian Gwilliam stated in areas with higher speeds and larger lanes there will be more people ignoring the signs. He stated they put in signs temporarily and there is still a constant speed of 10-15 mph over. He stated there may be a different impact in a residential area, but it may not solve the problem. He explained the signs will cost \$2,000-2,600 depending on if they run power to the sign or if it is solar powered. He mentioned the signs in Alpine were damaged quite a few times, but have not had any problems for the last couple of years. He stated back in

early spring, the police got a new traffic trailer on a grant that would measure speeds and keep statistical data and they put it out in the Country Club several times. He stated on one random day they had roughly 1,200 cars and the maximum speed was 37 mph, minimum of 5 mph, and the average speed was 18 mph. He stated on another random day there was approximately 1,000 cars and the maximum speed was 37 mph, minimum of 5 mph, and an average of 22 mph. He stated on another random day, there were approximately 1,400 cars and the maximum speed was 42 mph, minimum 5 mph, and the average speed was 22 mph. He stated he received a letter from Ed Barfuss that he agrees with, which states when there is a traffic trailer out there is a significant decrease in traffic speed. He explained having a police car parked out there all day every day would be a waste of a resource. He recommended they involve the Country Club because it's not the residents in particular that are the problem, but rather those who patron the Country Club. He stated it would not be a bad idea to give the installation of a speed limit sign a try and if it gets damaged the City can assess the issue again at that time.

Mayor Thompson questioned if the speeds are equal from both directions.

Chief Gwilliam replied the trailer only reads vehicles traveling towards the trailer, but they have only measured those leaving the Country Club. He stated they will go measure those coming to the Country Club and see if there is any difference.

Dennis LeBaron questioned what the police's stance is regarding speed bumps.

Chief Gwilliam stated speed bumps are a deterrence, but to what degree is unknown. He stated there are ways around them, so they would need to place two of them.

Tim Irwin stated he agrees they need to engage the Country Club along with the neighbors in the discussion. He suggested the City initiate the conversation.

Rod Mann questioned if there is also a problem with traffic on the east side

Brian Parrish, resident of Highland, stated there is an issue with traffic on the east side of the Country Club as well. He explained it is not a through road, but both patrons and workers utilize it and there have been a couple of close calls. He asked to have the residents on that road included in the discussion.

Aaron Palmer stated they will speak to the Country Club and schedule a meeting, and then send out invitations to the residents.

Tim Irwin asked that the Mayor and members of the City Council be invited as well.

Dennis LeBaron stated it would be helpful for the meeting if a resident was willing to get a poll from the neighborhood on their preferences.

Brian Braithwaite stated it would be helpful to have the poll after the meeting, so they can discuss the negative and positive impacts at the meeting.

Mayor Thompson explained there are probably some of the same problems on the east side, because it is a more wide open street heading to 4800 West.

Tim Irwin clarified there has not been a traffic count done on the east side.

- Open Space Park Use

Tim Irwin expressed his appreciation for the chart of all the City parks, their size, and amenities provided by staff.

Brian Braithwaite stated the Windsor Park is currently designated as a neighborhood park, so there are no restrooms, no reservations of the facility, no parking, and maintenance is done on a low-level. He suggested the City mark all of the parks that are having problems with misuse in a way that identifies no organized sports. He stated meanwhile, the City needs to find a solution for the needs of youth to have places to practice and play. He stated he does not see any reason to spend money posting the parks that don't have issues at this time. He mentioned the Town Center Meadows Park is listed as a neighborhood park, but is treated as a reservable City park.

Mayor Thompson stated this is a specific issue for Windsor Meadows, but the City does need to determine which parks have what use. He stated if they intended for people to drive to the park, they would have a parking lot. He stated the School District is leasing their space during the summer to organized sports groups for a cost. He stated he does not agree with that, because all taxpayers are providing for the property and there may be vacant times when the fields are not used at all. He explained they need to look at what the City and School District have that can fit the use of organized sports or if the City needs to accommodate that for the residents. He explained they need to put up signs in the Windsor Park immediately until the City has a better understanding.

Tim Irwin asked what parks are used for the recreational agreement with Cedar Hills.

Aaron Palmer replied they are waiting to get a report from Cedar Hills on the recreational program, but they only use the reservable parks.

Brian Braithwaite stated if it is a Highland City sponsored league in conjunction with Cedar Hills or if they are Highland residents, they could have free access to the park. He suggested if not they can be charged a fee, because they are not paying Highland taxes and they are making money off their camps.

Tim Irwin questioned if a park has to have restrooms in order to be reservable.

Brian Braithwaite responded no, because the Town Center Meadows Park is reservable and it does not have restrooms.

Aaron Palmer replied they can reserve the fields at Lone Peak as well, but the lacrosse teams and North County Soccer split the cost of a porter potty on the property.

Tim Irwin stated it would be helpful for the chart to list which parks are reservable.

Dennis LeBaron questioned if there are restrictions on any of the parks for sports. He asked how these groups decided to hold their camps, games, and practices in this specific park.

Mayor Thompson responded North Utah County Soccer Club caters primarily to the youth leagues and they have tried to make an effort, but they are overusing the park. He stated they indicated they were bringing in a porter potty on a trailer when they were utilizing the parks.

Terry Kent stated she spoke to the Director of North Utah County Soccer at the beginning of the summer and he stated they would bring in a porter potty, but they never did. She stated he also stated he would do something about the garbage and never did.

Mayor Thompson stated the trailer issue seems more appropriate in some areas than planting the porter potty on the property. He stated they indicated they spaced out their games so there is not as much traffic, but any kind of activity at the current level is inappropriate for that park. He stated even though the park is a good size and has easy access, it is a neighborhood park. He stated the City will post that it is a neighborhood park; it is still is a public park, but is not for destination use. He stated the results may not be immediate, but the City will take immediate action.

Dennis LeBaron questioned if there are any other parks that are subject to this type of activity. He stated if they close the Windsor Meadows Park, another park may just take its place.

Josh Castleberry stated Windsor, Canterbury North, Wimbledon North and South, and Town Center Meadows all have problems. He explained the parks that are marked as a pavilion are the only ones that can be reserved, because they are reserving the pavilion, not the park itself. He stated the only park that is scheduled out for sports is the Lone Peak soccer field next to the high school. He stated some parks actually have pavilions that are not reservable, so there needs to be a distinction between the two. He mentioned the reservable parks are Highland Glen, Heritage Park, Town Center Meadows, Merlin Larson, and Mitchell Hollow. He explained the Wildrose Park has always had no organized sports signs posted, so those signs should also be placed at the Windsor Park as well. He stated right now parks are going to be the most misused after school. He mentioned Canterbury North is used for football and soccer and Heritage Park is used for football.

Tim Irwin stated it is fine for the organized sports teams to use the parks, but they put extra usage on the parks. He stated it would be appropriate to charge the organized sports teams for the added use.

Josh Castleberry replied if they are non-profit organizations and they are making a profit, they should be charged. He stated the staff fertilized the Windsor Park three times over the summer to try to help the grass and they've struggled to complete fertilization because people are on the

grass constantly. He stated there is a camp that happens all summer long in the Mitchell Hollow Park and the Director is making money and he is not paying for the field use.

Mayor Thompson stated the City has built ball fields to be enjoyed by the youth, but if someone is trying to run a camp and make money on it, then the City needs to treat that differently.

Terry Kent questioned how soon the signs will be posted. She asked what the residents should do when the signs are up and people still overuse the fields.

Chief Gwilliam stated the residents can call the police and they are willing to come out and ask them to leave, but there is no ordinance that allows the police to force them off the field.

Mayor Thompson stated the City will work on the ordinance process, but for now the police will respond to any issues.

Rod Mann questioned how soon the signs can be posted.

Justin Parduhn replied it will take a little while for the signs to be made, but they will order “No Organized Sports” signs the following day.

Josh Castleberry stated they will remove the goal poles and have the North Utah County Club come pick them up at the old water building.

Jessie Schoenfeld stated they have to be careful, because if a group of kids start a game of soccer or flag football it may be considered an organized sport.

Mayor Thompson stated when they have an ordinance and enforce it; they will get technical and define the difference between organized and non-organized sports. He stated for now, if it is involved in a league then it is considered an organized sport.

Chief Gwilliam stated the judgment will be on the officer as to whether or not it is an organized sport.

Terry Kent clarified the no organized sports include practices.

Matt Conover, resident of Highland, suggested organized sports should refer to profitable organizations and should not be permitted, but non-profit organizations should not be considered organized because they are not making money off using the field. He stated there are Highland City teams and questioned where those teams would be allowed to play.

Mayor Thompson responded the Windsor Park is not currently set up for that type of use, so the City is going to take the use off completely until the City determines that definition.

Doraine Crump, resident of Highland, stated the next eight weeks are going to be very busy with practices and the schedules are already going out to parents. She explained everyone will believe

that is where they practices and games will be held. She questioned what the residents need to do until the signs are posted.

Mayor Thompson responded the City will not have a lot of leverage until the signs are posted, however if they are disruptive the police can drive by and speak to them.

Tim Irwin stated by sending the officers out gives them a notice immediately that they need to change the information given to those in the program.

Discussion continued regarding the misuse of the park.

Brian Braithwaite stated the City needs to give clarity to the officer to help him explain that to the sports group. He suggested staff look at other cities and see what wording they use on their signs.

Tim Irwin stated they need to clarify what defines an open space park vs. a City park, to make sure the City is correctly subsidizing the open space with the General Fund.

A Work Session Meeting is scheduled for September 11, 2014 at 6:00 p.m. to discuss City Parks and the North Utah County Recharge Association.

** Mayor Thompson called for a recess at 8:57 p.m., meeting reconvened at 9:11 p.m. **

- Enterprise Funds

Gary LeCheminant stated in mid-July the Council asked to look at the Enterprise Funds. He stated he used the July 2009-June 2014 fiscal years to look at the current budget year and project the next three fiscal years. He mentioned he assumed no major capital expenses or other unexpected costs in the projection. He explained all of the current City utility rates. He stated service charges make up 83% of the Culinary Water Revenue, connection fees make up 13%, and meter fees make up 4%. He stated the monthly collection fees are 85% of the Storm Sewer Revenue and permit fees are 15%. He stated 99% of the Sewer Revenue is service charges. He mentioned the connection, meter, and permit fees are one time fees and the impact fees are not included in revenue.

Brian Braithwaite clarified Gary LeCheminant used the updated TSSD fee in his calculations. He explained one group of residents paid for their water shares when they built their homes, but the rest are paying for their water over time. He stated in order to be part of the pressurized irrigation system they have to give a certain number of water rights to the City. He explained the City bought additional shares of water, so the residents who did not originally pay for their shares are paying for them now.

Mayor Thompson stated the purchase of the Provo Reservoir Well made that water available to a number of people. He stated they set the rate very low and the City has now purchased additional

water at a much higher price. He explained the water should not be paid out of the Enterprise Fund, but should be a capital investment that the City can sell.

Gary LeCheminant displayed a PowerPoint discussing the Enterprise Funds (*See attached slides). He stated the number of Enterprise Fund billed customers from July 2009-June 2014 has gone up steadily by about 70-90 new customers a year. He mentioned there are approximately 85 new building permits a year.

Mayor Thompson clarified the discrepancy comes from the fact that some are still watering their lawns with culinary water and some homes still have septic tanks.

Rod Mann questioned if the new Skye Estates Development was also considered.

Gary LeCheminant responded he just looked at the trend for the last five years, but if Skye Estates raises those numbers the City will just receive more revenue.

Brian Braithwaite mentioned Toscana has been coming in for the last three years.

Discussion continued regarding culinary water usage.

Gary LeCheminant displayed the graphs for each fund (*See attached slides). He stated the City is going to be in the positive for culinary revenue. He explained the major expenses for culinary are depreciation, power for the lift station, salaries, water meters, and repairs.

Tim Irwin questioned how much money is in the Culinary Water Reserves.

Gary LeCheminant responded there is 1.4 million dollars cash in the Culinary Water Reserves.

Dennis LeBaron questioned how much is needed in reserves. He asked if the City is meeting the needs or if they need more in reserves.

Gary LeCheminant replied one of the points of this exercise is to decide if the City needs to do a rate study and decide how often they need to adjust the rates.

Brian Braithwaite explained the City needs to watch the reserves to make sure they are not too high or too low. He stated this helps them look at what they currently have and the actual costs to make that determination.

Discussion continued regarding the City's reserves.

Gary LeCheminant stated he made an adjustment in the Storm Sewer budget for 2014-15. He explained there is \$90,000 in new construction fees, but to be conservative, that number was dropped to approximately \$65,000 for the following three projected years. He stated they are going to be in the positive for the Storm Sewer revenue. He stated the major expenses are depreciation, salaries, and system reconstruction. He mentioned the system reconstruction for the

last four years has been through Sterling Don Excavation. He stated the Storm Sewer Fund has approximately \$300,000 in cash reserves.

Brian Braithwaite asked if the system reconstruction is because of new regulations or growth.

Justin Parduhn replied there are some sumps that are not functioning properly, so they are trying to replace 1-2 a year.

Mayor Thompson stated they also need to upgrade them to double sump systems.

Brian Braithwaite questioned if the City is under federal regulation to upgrade all of the sumps within a specific timeframe.

Justin Parduhn stated he would have to look into it. He stated he does not know what the time frame is, but as far as he knows the City is currently in compliance.

Gary LeCheminant stated the Sewer Funds are positive as well. He mentioned the cash in the Sewer Fund is approximately two million dollars. He stated the TSSD collection fee is almost 60% of the sewer cost and all of that money goes to the Timpanogos Special Service District. He stated after the TSSD collection fee, the major expenses are depreciation, salaries, and a sewer connection with Cedar Hills.

Brian Braithwaite stated he believed Cedar Hills used part of Highland's sewer system and paid Highland City for that usage. He stated 4800 West is a TSSD distribution line, so Cedar Hills can connect into that line, but there are some areas where it is easier to go through Highland's system than theirs.

Gary LeCheminant replied he will have to look into it. He stated the revenue is less than the expenses for Pressurized Irrigation. He explained he projected out to 2022 when the bond payment is complete, but the City is negative \$400,000-440,000 every year. He stated the bond principle payment goes up every year for the next four years and the bond interest payment is going down. He mentioned the bond payment is approximately 25% of the cost for pressurized irrigation. He stated the other major cost is the Water Share Assessment, which he predicted to be approximately \$350,000.

Brian Braithwaite stated for the Water Share Assessment, the City is making a water share purchase, but every year there is also a payment just for using the system.

Mayor Thompson stated they are paid in different invoices, so there is a separate bill for contained water and for the assessments of the shares the City already owns. He stated this Water Share Assessments line item covers both, but they are billed separately.

Brian Braithwaite questioned what portion of the line item is just the purchase of new shares. He stated the Mayor is concerned that the City is paying for shares that they shouldn't be. He stated if they took out that purchase, the expenses may be closer to the revenue coming in. He stated the cost has to go somewhere in the budget, so it may show a deficit somewhere else.

Gary LeCheminant stated it would most likely cause a deficit in the General Fund. He stated in 2009-10 water shares were \$260,000, in 2011 the City paid \$292,000, in 2012 they paid \$266,000, in 2013 they paid \$250,000, and in the last budget year the City paid \$356,000. He stated he projected that cost as \$350,000.

Brian Braithwaite questioned why the water share price changed.

Mayor Thompson replied in the beginning they needed 20% of the money down and some were willing to pay that, but others wanted to finance it slowly. He stated Salt Lake County (Jordan Valley Water Conservancy District) fronted most of the money and started building pipes a year before the project started. He stated the 20% came from them and other individuals that paid it in cash. He explained the Highland Conservation District decided to pay it gradually, so the shares started with an amount that was lower and gradually got larger.

Brian Braithwaite expressed his concern that the price does not go up linearly every year, but rather goes up and down.

Mayor Thompson responded when they jumped into it the first year, there was just a set fee to initiate it and then the next year they graduated that fee to pick up the 20% over the next two or three years.

Brian Braithwaite stated they need to see if taking out the water purchase costs would make the revenue closer to breaking even. He stated if it does not, the City needs to look at possibly increasing the revenue for pressurized irrigation.

Mayor Thompson stated the line item is for the total assessments is not separated into what is being paid for operational costs and what is being paid for the water purchase. He asked Gary LeCheminant to separate those two items.

Discussion continued regarding the water share costs.

Rod Mann clarified there are not currently any reserves for pressurized irrigation.

Mayor Thompson stated the most appropriate thing to do would be isolate the water purchase, make it a capital investment and sell it off. He stated they currently reward the ones that overusing and penalizing the ones that are underusing.

Brian Braithwaite explained the City would sell the water shares to developers at a loss.

Mayor Thompson stated the City is probably taking a 30% loss right now, because they used the price index to generate enough money to close the canal with pipeline.

Brian Braithwaite stated the City can sell the water shares whenever they want, so if they wanted to sell it now it would be at a loss, but the City could sit it for a couple of years if they wanted.

Rod Mann questioned how long the contract lasts.

Mayor Thompson responded it was a 25 year contract and the City is about three years into it.

Rod Mann stated there might be an excess in some of the other funds and the constituency is roughly the same between sewer and water. He questioned if the City can legally transfer between the funds.

Brian Braithwaite stated from a moral standpoint the City should reduce the rates on one and raise them on the other, rather than transferring the funds.

Tim Merrill stated in the past the consensus has been not to transfer money between the funds. He mentioned a while ago an engineer at the meeting stated they could transfer the funds. He explained he is not sure if the guy really understood what he was saying or if there has been a change in the landscape so things are more flexible. He stated as a general rule they should not be moving the funds around.

Rod Mann expressed his concern that lowering one rate and raising the other would take a while to create a reserve.

Brian Braithwaite replied the City can borrow the money across if an emergency happened.

Mayor Thompson stated they need to properly identify the costs and either increase the revenue or reduce the expenses or start taking money from the other funds.

Gary LeCheminant showed another graph (*See attached slides) with the current pressurized irrigation rate. He explained if they raise the rate by \$1 per utility bill per month, they would still be negative \$250,000. He stated if they wanted to break even in the 2016 budget year, the City would have to raise the rates by approximately \$10 per utility bill per month. He stated if they wanted to raise the reserves by approximately \$50,000 a year, they would have to raise the rates to an average of \$33 per utility bill per month. He stated once the bond has been paid, the expenses will go down about \$400,000, and they could look at the rates again at that time.

Rod Mann stated there are very high reserves in other funds that continue to build. He explained if they lowered the sewer or culinary water rate and raised the pressurized irrigation rate by the same amount, they would still likely be negative. He questioned if in the eight years till the bond is paid off, if the liability on the negative side could be covered by the excess in the sewer and culinary reserves. He stated when the bond ends, some of the excess built into the rate could pay back the other funds.

Brian Braithwaite stated that makes sense, but if they were to lose two wells, then the excess for culinary would become smaller and if they cut the culinary rate it won't be continuing to increase over time. He stated the City could raise the rates in a couple of years if the City needed to. He explained when they separate the cost of the shares from the operational costs, that amount could drop. He explained right now it would be \$10 a month to break even, but that could lower it

down to \$5 a month and then they could move funds around, making it only \$2-3 a month negative.

Mayor Thompson stated if they know they are going to eliminate the debt on the bond, then the City needs to look at a number in between. He explained they should isolate the water share purchase money and bring in a number that will clear itself by the time the bond is paid off.

Rod Mann asked for staff to provide a chart with the current reserves and project the reserves based upon the rates, along with a recommendation of what the reserves should be.

Brian Braithwaite asked for a status update on the water building.

Mayor Thompson stated several properties have been identified, but they all have problems associated with them. He stated the Victor Property is already on the plan for a recharge basin, so that needs to be looked into further before building anything on that property. He explained they need to decide if they are looking for a long or short term fix, but they need to build an equipment building within the next year. He stated without a huge expense they could build additional facilities at the pump house on 5600 West. He stated there is land that will be left over after the road is built on Pebble Lane and could accommodate some structure. He explained there are indications that the City owes the property back to the developer, but they cannot find any documentation justifying that. He stated on West Park Road, they could use a storage facility to maintain the Highland Glen Park. He stated if the facility is going to service that park, then they can build it on the property without having to go through all of the 6F restrictions. He stated if there wasn't the 6F overlay on that property it would be the best location to build a storage facility for the entire City's equipment. He mentioned 6F means it has had federal funds involved in the development.

Brian Braithwaite mentioned because it had federal funding it now has restrictions and the government will only allow it to be used for certain things. He stated the 6F restrictions allow the exchange of property for property. He explained if there is property connected to it that is not part of the 6F, so they could trade it and as long as the net is the same they could use that property.

Mayor Thompson stated the property they swap does not have to be attached. He explained as long as it has the same use and the City has identified the property, it becomes more difficult, but they can make that adjustment. He stated they need to just pick a spot the City already owns that has the least amount of problems and build a storage facility and then look for a more permanent solution.

Jessie Schoenfeld stated if they build the storage facility on Pebble Lane the residents in that area will be very upset. She stated they have had so much trouble with the East West Corridor and the Canal and it is not a good location.

Mayor Thompson stated no matter where they build it, someone will be unhappy. He stated they should have never sold the water building in the first place, but since it has been sold they need to find a temporary building until they find a better solution.

Brian Braithwaite suggested the Mayor, a couple Councilmembers, and staff sit down and look at options to bring back to the City Council meeting.

Tim Irwin asked for an update on the ordinance revision for service dogs.

Aaron Palmer replied they spoke with the City Attorney and took in all of the Council's concerns. He stated Tim Merrill will make some recommendations and then they will send it out to the Council.

Tim Merrill stated there were no legal concerns, but there were questions regarding dog runs. He stated if the City is going to have this license, they need to decide what kind of facilities they want the carriers to have.

Tim Irwin stated he does not believe they need to get in the business of licensing service dogs. He stated he spoke to the Animal Shelter who recommended the City not license them.

Jessie Schoenfeld questioned why service dog licensing is not recommended.

Tim Irwin responded the licensing is tricky because it is already heavily regulated, so this would be another layer of regulation that would take additional staff time and the staff does not have expertise on dog training programs. He stated the only issue is there is currently a two dog limit in the City and his suggestion is to eliminate that restriction. He stated there are currently residents that have more than two dogs and there is not a problem. He explained the only time there is a problem is if there is a noise or aroma issue, but those are already covered under other ordinances.

ADJOURNMENT

MOTION: Dennis LeBaron moved to adjourn.

**Rod Mann seconded the motion.
Unanimous vote, motion carried.**

Meeting adjourned at 10:21 p.m.

JoD'Ann Bates, City Recorder

Date Approved: September , 2014